



April 25, 2012

**EX PARTE**

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

On Tuesday, April 24, 2012, Walter McCormick and I (USTelecom) spoke by telephone with Commissioner Robert McDowell and Christine Kurth, Policy Director and Wireline Counsel. Our discussion focused on the *USF/ICC Transformation Order's* Phase I CAF program. In particular, we focused on the restrictions in that program that mandate the connection of one household to broadband service for every \$775 in funding. We highlighted that that restriction is likely to significantly reduce the amount of CAF Phase I dollars that can be invested in rural broadband with consequent reductions in the economic and employment benefits of broadband investments. We urged serious consideration of the proposal for additional targeted and auditable investment flexibility proposed by Windstream in its April 16, 2012 filing in this docket.

Please include this notice in the docket referenced above.

Sincerely,

Jonathan Banks

c: Christine Kurth